

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

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|--------------------------------|---|----------------|
| AN INQUIRY INTO THE USE OF |) | |
| EXTENDED AREA SERVICE CIRCUITS |) | |
| TO ACCESS INTRASTATE TOLL AND |) | ADMINISTRATIVE |
| WIDE AREA TELECOMMUNICATIONS |) | CASE NO. 272 |
| SERVICE |) | |

O R D E R

On October 18, 1983, South Central Rural Telephone Cooperative, Inc., ("SC Rural") filed a request that the Commission investigate its extended area service ("EAS") circuits as part of Case No. 8838 (An Investigation of Toll and Access Charge Pricing and Toll Settlement Agreements for Telephone Utilities Pursuant to Changes to be Effective January 1, 1984). The subject matter of the request is not new, having been addressed previously in Administrative Case No. 261 (An Inquiry into the Resale of Intrastate Wide Area Telecommunications Service).

In its Motion, SC Rural asked that its EAS connecting arrangements be investigated in Case No. 8838 to insure that SC Rural, and other telephone utilities, cannot be bypassed by long distance companies thereby avoiding access charges. SC Rural claims that by using EAS circuits, carriers could have access to the customers of SC Rural, and other telephone utilities, without paying access charges. SC Rural further asked that the Commission consider banning the use of EAS facilities for the purpose of transmitting, originating, or terminating toll, or eliminate the practice of EAS service altogether.

On October 20, 1983, the Attorney General's Consumer Protection Division ("AG") filed a Motion supporting SC Rural's request. The AG also requested that the Commission investigate this situation as a part of Case No. 8838.

The Commission, having considered this matter and being advised, is of the opinion and finds that:

1. SC Rural, and other telephone utilities, could experience a loss of toll revenue because of the use of EAS facilities to access long distance carriers such as Wide Area Telecommunications Service ("WATS") resellers. EAS within one company's area would not appear to present such potential problems since the single company would get either revenue from access lines to a PBX and/or private line revenue;

2. An investigation and hearing should be conducted to determine whether the Commission should ban the use of EAS facilities between companies for the purpose of transmitting, originating, or terminating toll and/or WATS calls when one or both of the companies will not derive any compensatory revenues therefrom; and

3. All of the regulated telephone utilities and certificated WATS resellers should be made parties to this investigation.

IT IS THEREFORE ORDERED That SC Rural and General Telephone Company of Kentucky (the connecting utility in the instant case) shall file copies of their existing EAS agreements and direct testimony in this matter not later than January 5, 1984.

IT IS FURTHER ORDERED That any other party desiring to file direct testimony shall do so not later than January 5, 1984.


IT IS FURTHER ORDERED That a public hearing in this matter be and it hereby is scheduled for January 24, 1984, at 9:30 a.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 19th day of December, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary